Jackson City Council
Minutes
Regular Meeting of August 24, 2015

Patrick Crew, Mayor
Connie Gonsalves
Marilyn Lewis
Keith Sweet, Vice-Mayor

Michael Daly, City Manager
Scott Morrison, Police Chief
Gisele Wurzburger, City Clerk

COUNCIL MEMBERS ABSENT:
Wayne Garibaldi

Mayor Crew called the meeting to order at 7:00 p.m.

1. APPROVAL OF AGENDA.

Moved by Vice-Mayor Sweet, seconded by Councilmember Lewis, and carried by a 4 to 0 vote to approve the City Council Agenda dated August 24, 2015 as presented. Motion passed with the following vote:

AYES: Crew, Gonsalves, Lewis, Sweet
NOES: None
ABSENT: Garibaldi
ABSTAIN: None

2. PUBLIC MATTERS NOT ON THE AGENDA.

None.

3. CONSENT CALENDAR.

a. Approval of Minutes of August, 10, 2015 meeting.
b. Approval of Expenditure Report for the period of August the amount of $46,598.29.

Moved by Vice-Mayor Sweet, seconded by Councilmember Lewis, and carried by a 4 to 0 vote to approve the Consent Calendar dated August 24, 2015 except for:

Motion passed with the following vote:

AYE S: Crew, Gonsalves, Lewis, Sweet
NOES: None
ABSENT: Garibaldi
ABSTAIN: None

Councilmembers Gonsalves and Lewis abstained from the Approval of Minutes of August, 10, 2015.

4. ADMINISTRATIVE REPORTS

Police Chief Morrison reported it has been a very busy month for the Department. The Department is the lead agency working on the counterfeit money investigation.

City Manager Daly reported on the following:

1. The Environmental Protection Agency held the public meeting on Tuesday, August 18 at 6:00 p.m. in the Civic Center about 40 people were in attendance.
2. The Environmental Protection Agency is preforming the soil removal identified by the Argonaut Dam – 9 property owner's soil will be removed in August and September.
3. The Jackson Rancheria Annexation request will be on the next agenda.

5. COUNCIL REPORTS.

Councilmember Gonsalves reported tickets are still available for the Jackson Fire Department Labor Day Fundraiser Dinner Dance will be held Saturday, September 5 to support our local fire department.

Vice-Mayor Sweet reported the Amador County Historic Society will be holding Wine and Cheese Tasting Fundraiser on September 18.

Mayor Crew reported on the following:

1. Attended the Air Quality Control Board meeting.
2. Attended the Local Area Formation Commission meeting.

DISCUSSION CALENDAR

For the record: Action minutes provide the necessary documentation of City Council actions and audio recordings are retained for those desiring more detail on particular agenda item discussion. These audio recordings provide an accurate and comprehensive backup of City council deliberations and citizen discussion.

6. Water Conservation Update and Rate Implications.

City Manager Daly reported in response to Governor Brown's directive for water agencies and municipalities providing water service to conserve water, the City of Jackson has encouraged its water customers to reduce water usage. The statewide goal is to conserve water by 25% in June through February compared to the same usage periods in 2013. The latest conservation numbers available are for the month of July 2015, when Jackson water customer used 43.4% less water than used in July 2013.

As discussed during the budget, there are financial implications related to the conservation. The City purchases treated water at a wholesale rate from the Amador Water Agency and these costs are down since the City is purchasing less water to sell to its customers. However, the City revenues are down with customers purchasing less water. The AWA implemented a 2.5% cost of living increase effective July 1 and approved a 34% drought surcharge that is scheduled to go into effect in September.

When the budget was approved in June, it projected that water purchase costs would be 36.5% higher the entire fiscal year, so with the 34% increase not becoming effective until September, there will be some lower costs. Another possible delay in the AWA rate increase could be a ballot challenge to the increase. Opponents have gathered signatures to place the rate increase on the ballot. It is yet to be known if this will qualify, but it could delay the increase. A letter from the AWA Board of Directors describing the agency's predicament was provided.

The budget anticipated that water purchase revenues would be down by 20% from FY 14-15.Comparing July 2015 with July 2014, water consumption revenues were down 30% in July. Though this is higher than the 20% budget number, it's also a month when conservation will likely be higher due to irrigation conservation. The total conservation rate between FY 2014-15 and FY 2013-14 was 12.5%.

An unresolved issue at the time the budget was adopted was the San Juan Capistrano court case decision that ruled that their tiered water rate structure was in violation of Proposition 218. It was hoped that the decision would be appealed or be unpublished, however, it was published and is now precedent for any future rate increases adopted by water providers such as Jackson. The City currently charges $1.97 per unit for the first 6 units consumed and $2.96 per unit for all units over 6 units. A preliminary calculation determined that a single tier consumption rate would need to be set at $2.68 per unit to generate the same amount of total revenue from water consumption.

The original plan was to bring an item to the City Council in October detailing the water conservation rate and impact on revenues, however, since the conservation rate has been higher and the AWA rate increase did not go into effect immediately, it was decided to place an item on this agenda. At this point, it does not appear that enough information is available to determine whether or not to increase water rates at this time, but a regular agenda item can be brought forth each month to continue this evaluation.

Staff received emails from Ken Berry and Bill Condrashoff, Rate Payers Alliance stating RPA would not challenge the City of Jackson's water rates. These emails were not presented for the record.

Mayor Crew opened the public discussion. Hearing no comments from the public, Mayor Crew closed the public discussion

After considerable discussion among the City Council and staff, it was recommended that staff continue to monitor this item each month and closely follow AWA referendum issues. It was also recommended that the City be proactive and write letters to the Ledger Dispatch, Motherlode Broadcasting, TSPN, and the ratepayers that would explain actions being taken on this item.

9. ADJOURNMENT

Adjourn 7:25 p.m.

ATTEST:

Date Approved: September 14, 2015

Gisele L. Wurzburger, City Clerk